Electronic Federal Payment Posting System (EFPPS) – Privacy Impact Assessment (PIA)

PIA Approval Date: April 27, 2009

System Overview
The Electronic Federal Payment Posting System (EFPPS) is an Electronic Funds Transfer (EFT) initiative that modernizes the collection of Federal tax payments and other funds due the U.S. Government.

System of Records Number(s) (SORN):
- Treasury/IRS 22.054 Subsidiary Accounting Files
- Treasury/IRS 22.060 Automated Non-Master File
- Treasury/IRS 24.030 CADE Individual Master File
- Treasury/IRS 24.046 CADE Business Master File
- Treasury/IRS 22.062 Electronic Filing Records
- Treasury/IRS 34.037 IRS Audit Trail and Security Records System

Data in the System

1. Describe the information (data elements and fields) available in the system in the following categories:

    A. Taxpayer – EFPPS receives specific payment related information such as name, address, taxpayer identification number, banking information, tax type, payment amount and dates.

    B. Employee – Information to identify users such as Employee SSN (or SEID), Profile Name, Quality Reviewer Number and User ID Code

    C. Audit Trail Information (including employee log-in info) – All EFTPS operating systems, applications, and databases comply with the C2 audit logging requirements. C2 audit logging requirements for the EFTPS project are:
- log on
- log off
- change of password
- creation, deletion, altering of files
- altering of database (add, change, delete)
- all activity of system operators, system administrators, or Security Officers
- all unauthorized/failed attempts to query database or files
- program/process initiation for programs that allow altering, adding or deleting of data

2. Describe/identify which data elements are obtained from files, databases, individuals, or any other sources.

    A. IRS – Information contained in the IRS master files are used to identify and validate taxpayers enrolling in EFTPS (EFPPS). Once validated the taxpayer is added to the database as an enrolled taxpayer. Only enrolled taxpayers can initiate payment transactions.

    B. Taxpayer – To enroll in EFTPS (EFPPS) Taxpayers will provide identifying information (Taxpayer Identification Number (TIN), contact name, and address), banking information and payment instructions.

C. Employee – Identifying information as to who is using system, what is being done and providing audit trail.

D. Other Federal Agencies – The Financial Management Service (FMS) provides info on Federal agencies using EFTPS (EFPPS).

E. State and Local Agencies – None

F. Other third party sources – The EFTPS Treasury Financial Agent (TFA) operates EFTPS for the Treasury and interfaces directly with the taxpayer processing enrollment and payment information. This data is then passed on to the IRS EFPPS for processing.

3. Is each data item required for the business purpose of the system? Explain.
Yes - EFPPS only requests taxpayer information required to validate enrollments and identify payments to ensure the proper account is credited.

4. How will each data item be verified for accuracy, timeliness, and completeness?
- Accuracy – Payment transactions must include data in a prescribed format and must meet a variety of validation criteria that ensure proper processing and crediting to the appropriate account. Taxpayers are enrolled and validated based on the IRS's Master Files before payments can be accepted from them.
- Timeliness – Automated Clearinghouse (ACH) payment instructions must follow NACHA – The Electronic Payments Association rules and must be received no later than 8 pm, Eastern Time, on the day before the tax due date to be considered timely. The payment information is used to update the appropriate taxpayer account on Master File. Same-day payments are made through Fedwire, and must conform to FRB requirements.
- Completeness – Payment transactions must be received in a required record format and must comply with standard NACHA rules as well as specific rules identified for tax payments.

5. Is there another source for the data? Explain how that source is or is not used.
No.

6. Generally, how will data be retrieved by the user?
Data retrieval is determined by the needs of the particular type of user. Generally, data are accessed via controlled and constrained interfaces, such as Graphical User Interface (GUI), Information Data Retrieval System (IDRS) Command Codes, etc.

7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?
Yes. Authorized IRS employees may use Taxpayer Identification Numbers as identifiers for standard (IDRS) requests to verify EFPPS payment information or perform adjustments to accounts.

Access to the Data

8. Who will have access to the data in the system (Users, Managers, System Administrators, Developers, Others)?
IRS Customer Service representatives and their managers, System Administrators and Developers, and a small number of Accounting employees located in Ogden Submission Processing Center. No one else has access to data in the system.

9. How is access to the data by a user determined and by whom?
Access to taxpayer data is determined by job function. Access to data is documented by using the IRS Online 5081 process. Access is always granted on a "need-to-know" basis only by the appropriate management officials.

10. Do other IRS systems provide, receive, or share data in the system? If YES, list the system(s) and describe which data is shared.
Yes. EFPPS interfaces with the following IRS systems:
- DCC IRACS – Accounting data
- ECC-MEM TIF (BMF) / ECC-MTB TIF (IMF, IRAF) – Account posting data
- Fed Payment Levy Program (FPLP) applications at ECC-MTB – Treasury offset data
- MasterFile (EFTPS payment transactions) – Account posting data
- e-File systems (ELF, ETD, 94X, MeF) – electronically filed return data
- Nationwide IDRS terminals accessing EFTPS database – Enrollment and payment data
- CFOL – Account validation data
- RS-PCC (Remittance Strategy-Paper Check Conversion) – Payment data

11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?
Yes.

12. Will other agencies provide, receive, or share data in any form with this system?
Yes. FMS provides data to EFPPS. The EFTPS TFA, Bank of America, provides payment posting and balancing data to EFPPS, EFPPS provides correction data to the TFA as necessary, and all Federal agencies provide tax return and payment data to EFPPS through the FEDTAX system.

Administrative Controls of Data

13. What are the procedures for eliminating the data at the end of the retention period?
At the end of the seven (7) year retention period, in accordance with IRM 1.15.17; the Records Control Schedule for Information Technology, the media that contain the data are degaussed and then destroyed. A control log is maintained containing the media label Id, date and method of destruction, and the signature of the person who destroyed the media.

14. Will this system use technology in a new way?
No.

15. Will this system be used to identify or locate individuals or groups? If so, describe the business purpose for this capability.
No.

16. Will this system provide the capability to monitor individuals or groups? If yes, describe the business purpose for this capability and the controls established to prevent unauthorized monitoring.
No.

17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently? Explain.
Yes. The system enables differential treatment of employees who violate UNAX rules related to unauthorized disclosure or take certain other actions inconsistent with the law and/or IRS

requirements. Audit trails are analyzed by management officials who take necessary action, if appropriate. EFPPS has no other differential treatment functionality.

18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination prior to final action?
Yes. If insufficient information is provided to process enrollments or payments, the taxpayer is notified and has the opportunity to provide the additional information.

19. If the system is web-based, does it use persistent cookies or other tracking devices to identify web visitors?
Not Applicable, EFPPS is not web-based.

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